

83 00820

MENDOCINO INCORPORATION FEASIBILITY STUDY

Performed for

The Mendocino County Board of Supervisors

BY

William R. Zion,

Consultant in Local and Regional Government

February 1982

INSTITUTE OF GOVERNMENTAL
STUDIES LIBRARY

JUL 6 1982

UNIVERSITY OF CALIFORNIA

Mendocino Incorporation Feasibility Study

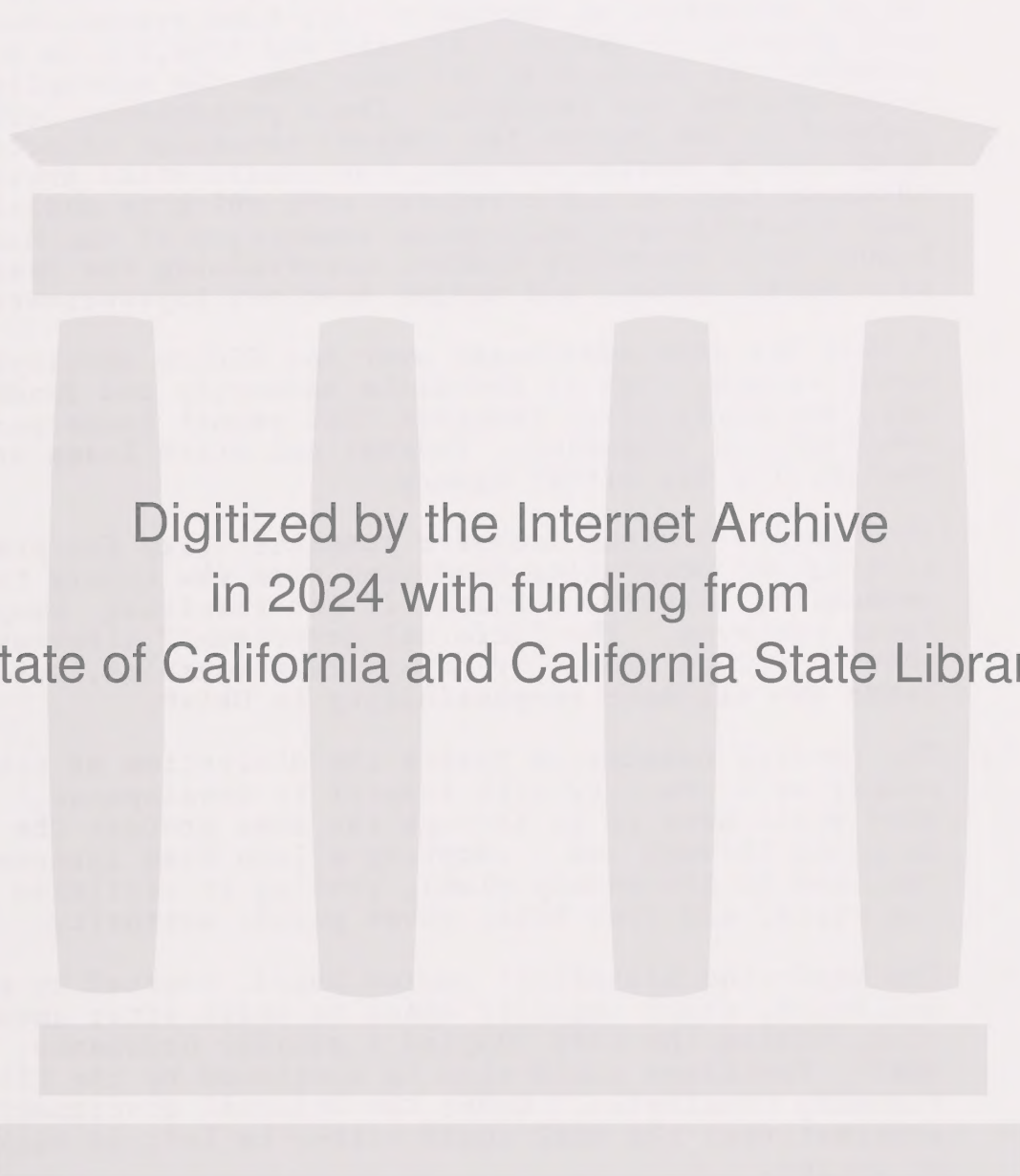
Table of Contents

Page No.

A. Summary	1
B. Recommendations	3
C. Introduction	5
D. Present Services and City Alternatives	7
E. City Organization, Staffing, and Annual Costs	20
F. Estimated City Revenues	26
G. Discretionary Program Variations	31
H. Boundaries	34
I. The Relation of the Alternatives to Developing a Community Water System	35
J. Comparison Cities	37
K. Informal Governments	41

A. Summary

1. Incorporation is feasible, in terms of services and financing, under the several options for staffing, merger or non-merger with the Mendocino City Community Services District, and boundaries.
2. Incorporation will add \$218,900-\$254,300 in annual operating costs, depending on whether a full-time professional city planner is needed. It will add \$366,951 in annual revenues, of which \$243,249 come from the unusually high sales and bed tax revenues. These projections could be reduced to the extent the current recession affects Mendocino's tourist economy, but should still provide an adequate cushion and a reserve with which to undertake such discretionary programs as conversion of the Middle School to a community center, ascertaining the feasibility of a water system, and making downtown improvements.
3. A city has some advantages over the CSD in developing a water system, such as immediate authority and funding to act, and diversified revenues that permit lease-purchase construction financing. Federal and state loans are a possibility for either agency.
4. Incorporation would transfer responsibility for preserving and developing Mendocino from the county to the community, directly meeting, if not resolving, many local concerns. The "informal government" alternatives should improve community-county relationships, but still leave the ultimate responsibility in Ukiah.
5. The Coastal Commission limits the discretion of either the county or a new city with respect to development. A new city would have to go through the same process the county is going through now - adopting a Town Plan (presumably the same as the county plan), getting it certified by the state, and then being given permit authority.
6. The Mendocino Historical Review Board, created by county ordinance, would legally cease to exist after incorporation, unless the city adopted a similar ordinance. The MHRB's functions could also be continued by the City Planning Commission. Under the informal government alternatives, the MHRB could either be left in existence or merged.
7. Merger of the CSD with the city would assure coordination between the sanitation and street lighting functions and those of the city, and would produce some cost savings and more efficient use of staff and equipment.



Digitized by the Internet Archive
in 2024 with funding from
State of California and California State Library

<https://archive.org/details/C124899503>

8. There are some advantages to city boundaries larger than those of the CSD, extending north to Jack Peters Gulch and east to Jackson State Forest.
9. The impacts of incorporation on the county are as follows:

Reduced county costs

Sheriff	\$53,722
Roads	36,000
Building Inspection	7,800
Planning	23,675
Animal control	<u>1,000</u>
	\$122,197

Reduced county revenues

Sales tax	\$162,729*
Bed tax	80,581*
Franchises	2,000
Property transfer	1,000
Fines	1,000
Cigarette tax	6,782
Property tax	47,352
SB325	<u>12,910</u>
	\$314,353

*Assumes no recession impact

No county service problems are apparent as a result of incorporation, partly because the city will contract with the county for those services efficiently provided on an area-wide basis

B. Recommendations

1. Although informal governments are often considered fore-runners of incorporation, they would continue Mendocino's dependence on the county, and the difficulties and frustrations this has caused both parties. Therefore incorporation should be tried first; if it is turned down, the informal governments should then be considered.
2. If the informal government alternative is pursued, the best approach appears to be a combined MAC-APC, absorbing the MHRB, and with some of the members representing the CSD. Provision should be made for office space and clerical assistance (most likely via the CSD), as well as increased planning staff assistance.
3. Merger of the CSD with the new city would be accomplished by proceeding under the District Reorganization Act, and combining incorporation and merger in one ballot measure. If there is strong opposition to merger, the Board of Supervisors should explore initiating incorporation under Morga, and placing the merger on the same ballot but as a separate measure.
4. The recommended Prop. 4 appropriations limit for the new city is the annual city revenues estimated in this report, plus an allowance for inflation and any population growth from now until the first year of full city operations, assumed to be 1983-84. If the CSD is merged, its appropriations limit should be added to that of the city.
5. Assuming incorporation is initiated soon, the next feasible local election date is November, 1982. If approved, incorporation would become effective about a week afterward, unless the county sets a later effective date. In view of the net county revenue loss from incorporation, particularly during the balance of the 1982-83 fiscal year when county services continue while revenues are diverted to the city, the county and Lafco might want to set a later effective date in order to shorten the period of this adverse impact. The first Monday in February, 1983, would be a workable date.
6. If incorporation is initiated the application should provide for the appointment of elected officials other than the City Council, as permitted by Government Code Section 36511. Otherwise, City Clerk and City Treasurer automatically become elected offices.
7. A Negative Declaration under CEQA is recommended for incorporation. The boundaries are consistent with current planning and zoning, there is no apparent incorporation intention to depart from or exceed current plans and policies respecting growth, and the proposed services are

not growth-inducing. The one possible exception might occur if the city succeeded in developing a water supply greater than could be developed through the CSD. Such a project would in any event be subject to an EIR on its own merits.

C. Introduction

Incorporation of Mendocino has been considered at several times in the past. It was narrowly rejected at an election in the early 1970s, and narrowly favored at an advisory referendum in 1980. Largely as a result of the latter, the county Board of Supervisors has sponsored this study. Over the years, the economic characteristics of Mendocino have significantly changed, improving the fiscal feasibility of municipal status. In addition, the county's involvement in the local affairs of the community has deepened, signified by the historical preservation designation in the early 1970s, and by the more recent efforts to develop a "Town Plan" as part of the state-required Local Coastal Program for the county's coast. Mendocino's uniqueness, combined with these formal but unusual county-community relationships with respect to growth, have stretched the county's ability to deal with unincorporated area development problems and raised the question, both locally and in Ukiah, whether some change in the relationship might be desirable. A major purpose, and effect, of incorporation would be to transfer responsibility for local decision-making from the county to the community.

Under the consulting contract, this analysis considers not only incorporation, but two other lesser alternatives, a Municipal Advisory Council and an Area Planning Commission. Both would leave Mendocino unincorporated, but would strengthen the local advisory relationship to the county. In addition, the incorporation alternative is to consider city merger with the Mendocino City Community Services District, as against the latter's continued independent existence. Furthermore, the study is to develop several different "expenditure scenarios" under incorporation, as well as the relationship of the several alternatives to obtaining a public water system, to the future of the Mendocino Historical Review Board, and to the Local Coastal Program.

The boundaries used for the study are those of the CSD, which are similar to those of the MHRB. Modification of these boundaries is considered in the study. The 1980 census shows a population of almost exactly 1,000 in this area. The assessed market value of property is \$27,474,318.

When a community incorporates, it assumes from the county responsibility for providing those services the county provides in the unincorporated area only, namely, police protection, road maintenance, planning, engineering, building inspection and animal control. These are the basic city functions, but a city is permitted to provide almost any other services it chooses. Incorporation does not affect schools, and does not affect existing special districts and their services, unless that is also provided for on the ballot. In addition to the CSD, which provides sewers and street lighting, and whose

merger with a new city is considered in this study, there is the Mendocino Fire District, which the study assumes will not be affected.

Incorporation can be initiated either by a petition of 25% of the voters or property owners within the proposed boundaries, or by a resolution of the Board of Supervisors. It is then heard by the Mendocino County Local Agency Formation Commission, which may approve, modify, or disapprove the proposal. Assuming approval, the Board of Supervisors holds a protest hearing, where if 50% or more of the voters protest, proceedings are terminated. Otherwise it goes to an election. On the same ballot voters choose five candidates, from a list of those who have submitted nomination papers, to serve on the first City Council if incorporation does pass.

D. Present Services and City Alternatives

1. General Government

This function is not comparable to any of the services now provided by the county. It represents the additional activities and costs required to run a city. Included are the Council, City Clerk (keeping records, accounting), Treasurer (a more or less symbolic position), City Attorney (usually on a contract), the operation and staffing of city offices, and such non-department items as liability insurance.

A city has considerable leeway in how it organizes these activities. It may or may not establish a City Manager or Administrator to whom the Council delegates day-to-day responsibility for overall administration. Most of the comparison cities do not have such a position, and in its absence administration is left to (or divided among) the mayor, the council members, the clerk, and the department heads. This distribution often depends on the personalities involved. For example, the job of mayor is largely ceremonial and is usually rotated among council members annually. However, if a particular mayor has the confidence of the council and is able to put in the time, he or she may act as the day-to-day administrative head of the city for a number of years. Normally the mayor and council receive no salary, but if their work warrants it, they can vote themselves part-time salaries. The manager position can be combined with others, e.g., Manager-Clerk, Manager-Planning Director, Manager-Engineer. Clerk and Treasurer can be either elected or appointed, and the latter is normally preferable.

Depending on the funding available and the emphasis it wants to give the various functions, an incorporated Town of Mendocino has a number of options with respect to General Government. It could go the minimal route exemplified by several of the comparison cities, with the City Clerk the only full-time position. It could beef this up with additional secretarial help. It might be able to find a part-time City Manager, such as a retired local executive, as several small cities have. Three alternatives will be set forth in a later section.

2. Community Preservation and Development

In most incorporation feasibility studies, this section is titled Planning and Development Control, and include the functions of planning, engineering review of development, and building inspection. Mendocino's uniqueness suggests both different nomenclature and a broader treatment of the subject. The county has been committed to historical

preservation, and it is assumed a city would continue, and perhaps enlarge, that commitment. In addition, a separate Town Plan is being developed as part of the LCP, and it will contain unusual elements that meet state requirements, with or without incorporation. Within these constraints, development of vacant land will continue to be permitted under careful regulation.

a. Tourism

A city would be more heavily dependent financially on tourism than the county now is, due to the relative size of local sales and bed tax revenues. This does not mean a city would be forced to promote more tourist development, since the present tourist revenues already appear large enough to support an adequate city government. A city's financial dependence on tourism is more likely to be concerned with the continued and enhanced prosperity of those businesses that are already here. This in turn may relate back to historical preservation, since excessive commercialization could diminish historic character and attractiveness, and undermine the present tourist economy. In addition, and apart from the Town Plan, the local electorate and City Council are likely to be more restrictive than the county concerning tourist development. All this is intended to suggest that a city government is likely to more closely control tourist development (the Town Plan and the Coastal Commission permitting) than the county has. To the extent this is achieved, the city would feel more comfortable about enhancing existing tourist activity, which might also be a trade-off with the Coastal Commission. Enhancement might include: 1) a visitor information center, financed in part by a business license tax; 2) an improvement program for downtown streets, drainage, parking, pedestrian ways, etc., that respected historic character; and 3) the development of peripheral parking lots and a shuttle service.

b. Coastal Commission and the LCP

An LCP land use plan is currently being developed by the county and the state and may be certified by this summer. At that point permit-issuing authority can be turned over to the county by the state, with implementation procedures, such as zoning ordinances, to be worked out later. A question is what would happen to the plan if Mendocino incorporated. This is dependent somewhat on whether incorporation occurs before or after plan adoption, and for purposes of simplicity it is assumed here that incorporation occurs after. A discussion with legal counsel to the Coastal

Commission indicates the following:

- 1) There have been no city incorporations in the coastal zone since initiation of the LCP, and there is no provision in the coastal act covering this eventuality.
- 2) Unlike the automatic transfer from county to city of planning, zoning, subdivision approval, and building regulations authority upon incorporation, the coastal zone permit-issuing authority would not transfer, because the state is also a party to this authority. Instead an interim period would occur during which the permit authority would probably go back to the state, though it might be possible for the county to continue this function at the city's request. During this period the state would apprise itself of the capability of the new city to carry out the LCP. The city would have three major options: to develop a new land use plan; to amend the existing county plan; or to adopt the county plan as is. The first two options would also require state acceptance. Though there has been some disagreement between the Mendocino CAC and the state over the amount and location of visitor-serving uses, it appears most practical for the new city to simply adopt the county Town Plan as is, and at a later date seek whatever amendments the city may agree on.
- 3) Assuming solution of such differences, and state confidence that the city will be able to implement the plan, it would then be certified by the state and permit authority turned over to the city.
- 4) The city would still have to adopt zoning and other implementation procedures acceptable to the state.

c. Mendocino Historical Review Board

Mendocino was designated a historical preservation district, and the MHRB created by the county as part of an understanding between the county and the state in the early 1970's that lead to establishment of the Headlands State Park. The five-member board, appointed by the county, meets at least monthly to review and approve construction applications affecting the exterior of buildings. It has a part-time clerk at \$150 per month, and according to the county utilizes about 1-1/2 man-

months annually of planning staff time, primarily for environmental reviews. About three decisions a year are appealed to the Board of Supervisors, which usually backs up the MHRB. The board is criticized for unpredictable decisions, and, related to this, the Planning Department feels the board could be more effective if it had a set of architectural design criteria for the various vacant stretches of property in town.

Upon incorporation, the legal existence of the MHRB would technically cease, since it was created under the county's authority for the unincorporated area. As an interim measure, the city could, and probably should, adopt the county ordinance and re-appoint all or some of the present board members. This would provide continuity during a period when the city will be organizing itself. A city must have a planning commission, though the City Council itself can serve as the commission. Assuming a separate commission is established, the question then will be whether the commission itself should perform reviews similar to those of the MHRB, or delegate them to a design or historic review committee. Many cities have such committees, either including or not including some commission members. It is important such a committee be seen as advisory to the commission, rather than directly to the Council. Otherwise rivalries and conflicts between the committee and commission are likely. This process - an application goes to the committee, then to the commission, with possible appeal to the Council - may be seen as too long and cumbersome. This could be streamlined either by not establishing the committee and letting the commission perform the function, or delegating most of the job, including public hearings if necessary, to a paid professional, with only larger or more controversial applications, or those on appeal from the staff decision, going the committee-commission-council route. This approach would be helped by the development of written design criteria, as suggested earlier, to guide both staff and applicants.

d. Planning Staff

Presently the county Planning Department estimates its staff services in Mendocino represent the equivalent of 1/2 a man-year, provided primarily in Ukiah. In the last year, partly due to the county-wide moratorium, no Mendocino development applications have been of the type (use permits, lot splits, etc.) that have required action by the county Planning Commission, and staff time has been devoted to lesser applications and to develop the Town Plan. The department feels an Area Planning

Commission in Mendocino would require the equivalent of one full-time staff.

City staffing could be about the same, since a city Planning Commission would have much the same responsibilities and workload as an APC. City staff requirements might be higher during the initial period after incorporation, when various planning programs and actions will have to be initiated, and then decline. If the city adopted more detailed regulations or enforcement programs, the workload might be greater, but some of it could be met by other personnel, such as the city attorney, shared public works staff, or part-time assistance. Due to the tradition of volunteerism in Mendocino, an alternative to a full-time staff planner would be the performance of many of these functions by Planning Commission members and other volunteers.

The county now provides planning services by contract to the City of Willits, though it is contemplated that after the plan is completed, the city will provide services directly. An alternative for Mendocino would be such a contract, calling for one full-time planner and back-up services. Ft. Bragg might provide contractual planning services.

e. Engineering

The county presently provides engineering services needed in the review of subdivision and other development applications, as well as in the design and inspection of roads and other public improvements. Upon incorporation this would become a city responsibility. In a small town this is less than a full-time job, and is contracted to the county or to civil engineering firms. The contract could include a minimum retainer, or be on a job-to-job basis. Most costs are reimbursed through application fees or inclusion in the cost of improvement projects. The only civil engineering firm on the Mendocino coast is in Mendocino, which would be convenient to both the city and local developers. If there are conflict-of-interest situations, other local engineers, the Ft. Bragg city engineer, or the county could perform those reviews.

f. Building Inspection

The county currently provides building inspection services from its Ft. Bragg office, with inspectors making daily rounds up and down the coast. Services to Mendocino require about five hours a week. The county contracts to provide building inspection to Pt. Arena, and would be willing to contract with a city of Mendocino. There would be no cost to the city, since the county is reimbursed

by retaining the fees collected. This appears to be a better alternative than part-time city or contracted inspectors.

The chief Building Inspector states that enforcement of MHRB regulations and conditions has been a problem. Actual construction sometimes deviates from MHRB approved plans, but as long as it meets the Building Code, he does not feel he can step in. He feels some other enforcement tools, such as local MHRB enforcement, or city regulations, enforcement personnel, and a City Attorney are needed. This could be financed by an additional building fee.

3. Roads

There are about nine miles of county roads in Mendocino. Their maintenance and any needed repairs or improvements would become a city responsibility. In recent years the county has placed overlay resurfacing on the travelling lanes of many of the major streets in Mendocino. They are in good shape and will not need major repair for many years. Several major streets still need overlaying, as well as ditch improvements. Several lesser streets have poor surfaces, potholes and poor drainage. Surface drainage is a general problem, due to the absence of an underground drainage system and the use of side ditches and cross culverts, which fill up during storms. Street shoulders and parking areas are often inadequately surfaced. Curbs, gutters and sidewalks have generally not been installed, and many of the old boardwalks are deteriorating. Currently the county is not planning any projects addressing these deficiencies.

Conventional improvements to correct many of the deficiencies noted above would not be consistent with the purposes of the Historic Preservation District, and in some cases county improvement projects have been halted for this reason. What appears to be needed is an improvement plan shaped to the character of Mendocino, or short of that community determination of what projects should go ahead.

As to costs, the county is currently spending an average \$4,263 per mile county-wide on maintenance, and because of the recent overlay program feels costs may now be somewhat lower in Mendocino. This report uses \$4,000. Maintenance includes patching, striping, shoulder and ditch repair, street signs, sealing, etc. Overlaying, which is classified as improvement rather than maintenance, costs about \$40,000 per mile.

Upon incorporation the city would have several alternatives for providing road maintenance and improvement services. Most cities contract out major work, such as overlaying, and often batch and contract other specialized work, such

as striping and sealing. Some cities contract everything out. Contractors might be the county, the City of Ft. Bragg, or the Baxman Gravel Co. in Ft. Bragg. Contracting requires that the city have someone on its staff to negotiate what is to be done at what cost. In Pt. Arena two council members meet periodically with the Baxman Gravel Co., which provides nearly all city road maintenance, to work these things out. In other cities the Manager, City Engineer (on a part-time retainer to the city), or a volunteer "road commissioner," do the job. Frequently, unit costs - so much per pavement failure or square foot of sealing - evolve as a cost basis for the contract.

It might prove advantageous to have someone on the city staff to handle labor-intensive minor routine work, such as patching, repairing street signs, and emergency tasks. This could be full-time or part-time. It might also be combined with code enforcement, parking regulation, or other chores. If the city and the CSD were merged, the two-man CSD staff could probably handle this work.

City road maintenance costs will vary with what is wanted. Using the county figure of \$4,000 per mile, or \$36,000, plus, say, one-half mile of overlaying, or \$20,000, annual costs would be \$56,000. Baxman has made similar estimates, and that figure will be used here. If a city improvement plan called for more, it might be financed out of reserves set forth elsewhere.

4. Police Protection

The Sheriff is now responsible for general law enforcement, and the California Highway Patrol for traffic enforcement, in Mendocino. After incorporation both of these will become city responsibilities. On the south coast, the Sheriff has resident deputies in Pt. Arena, Anchor Bay and Gualala, with a small substation in Pt. Arena. The contract with the City of Pt. Arena calls for that resident deputy, for which the city reimburses part of the cost on the reasoning he is often outside the city. The Ft. Bragg substation includes a lieutenant, two sergeants, an investigator, and six deputies. They cover the coast from Elk to Rockport. A deputy is assigned to the Mendocino area beat on the day shift during the week, functioning somewhat as a resident deputy. The state has responsibility for law enforcement within the Headlands State Park, though the county does patrol the park, and this "concurrent jurisdiction" would continue with the city.

According to the Sheriff's lieutenant in Ft. Bragg, the equivalent of at least 1-1/2 deputies' time is spent in Mendocino. This occurs due to the time spent in Mendocino at night and on week-ends by deputies other than the assigned deputy. Among the major local calls for service incidents are drinkers, drug activity, and after-hours

establishments. Burglaries and vandalism also occur along alleys and other difficult-to-patrol areas on week nights. Thus most criminal activity occurs at night, but is not reported or investigated until the next day. Many minor crimes, such as stealing gas or break-ins of tourists cars, are not reported but might be if there were a local substation.

The CHP has a sergeant and five officers assigned to the entire Mendocino County coast, along which tourist traffic and accidents are a general problem. No particular problems are associated with Mendocino, aside from illegal parking. The Sheriff's substation estimates that a contract to provide police protection to the city after incorporation should call for two to three resident deputies, in part because of the added traffic patrol and accident investigation work that would be inherited from the CHP. As in Pt. Arena, they would if possible live in or near Mendocino. Part of their off-duty time, deputies are assigned to stand-by, and can be called in by portable radio at extra cost. The city deputies would respond to calls outside the city as needed, just as other deputies would respond to calls inside the city as needed. Since it takes nearly five officers to provide one man on duty the year round, a contract for a lesser number cannot guarantee an officer on duty in town at all times. However, the availability of other deputies along the coast or from Ft. Bragg, plus the off-duty call-in, assure a reasonable response to emergencies. It should also be noted that, despite the incidents that make work for the Sheriff, Mendocino is relatively free of serious crime, particularly when there are large numbers of people around. Elsewhere this report estimates that the county's total costs per deputy are \$35,815. Therefore a two-man contract would cost about \$72,000. This level is tentatively recommended. A separate city department in Mendocino would be impractical and expensive, due to the area's small size.

5. Parks, Recreation and Community Centers

There are no such facilities or programs in Mendocino, except for the undeveloped Grindle Park owned by the fire district, and the county has no plans along these lines. However, annexation of the Mendocino Unified School District to the Mendocino Coast Recreation District is pending. This agency is centered in Ft. Bragg, where it has built several facilities. Post-Prop. 13 funding is insufficient to build similar facilities in this area, but it is contemplated the district will provide recreation programs from mobile facilities, and also at schools and other locations.

Meanwhile the surplus Middle School property in the center of town would meet the many community center needs expressed in various surveys, which include playground,

park, youth center, meeting hall, library, day care, senior center, class and rehearsal space, health clinic, and family recreation center. The advisory committee to the school district has found unanimous public support for these uses, and has recommended sale or lease of the school to an entity such as the Coast Recreation District, the CSD, or the county, which could maintain and operate the school for these purposes. The committee has assumed the site could be purchased for \$100,000 (the 25% of market value for which recreation agencies are eligible) from the state, on a 40-year mortgage at 8%. The committee also found sufficient public agencies and community groups were interested in renting space in the building to more or less cover mortgage and maintenance costs, which were estimated at \$1,645 per month.

The committee report emphasizes all these projections are very preliminary and incomplete. It does not include any costs of remodelling and landscaping, or the continuing costs for non-rent paying uses, such as play fields and meeting space. The county has indicated it is not interested in acquiring and operating the facility, though it might be willing to put up the \$100,000 purchase price and then re-sell the facility to an appropriate local agency. Neither Coast Recreation (aside from potential grants) Nor the CSD appear at this time to have the funding resources (nor, in the case of the CSD, the legal authority - this would require voter authorization) to carry through a complete program of acquisition, remodelling, and operation. One alternative use of the reserve funds that incorporation would generate would be to assure that the school does become a community center. This might best be accomplished as a joint venture with Coast Recreation and the interested groups and agencies. Upon annexation of the school district territory of 400 square miles to Coast Recreation, the latter will cover an area for larger than the city. This would be the appropriate base for planning, operating and funding the types of recreational programs the district offers. Though many of them might utilize the Middle School, a majority of the participants are likely - due to the central location and the probable use of buses - to come from outside the proposed city.

The city's interest, on the other hand, would be first in acquiring the school for community uses, and second in facilitating such uses. They might include indoor sports, park/picnic area, meeting hall and kitchen, day care center, and a number of family-oriented activities for families living in or near Mendocino. There would be some overlap between these area-wide and city programs and participants and one way of off-setting any city subsidy to non-residents would be to charge a non-resident fee.

Consolidating city, county and other public agency offices,

as well as a visitor center at this location would also be advantageous to the public and the city. In addition, the present fire station location on Lansing has several disadvantages. Congestion in the area makes egress difficult, parking for volunteer meetings and turn-outs is poor, and space is limited. The site is more appropriate and valuable for commercial development, and the school grounds would make an excellent location for a relocated fire house.

A rough community center financing plan would be as follows: 1) From reserves noted elsewhere, the city acquires the school for \$100,000, utilizing any grants Coast Recreation is able to obtain; 2) The city turns the property, or most of it, over to the Coast Recreation for operation and management; 3) Improvements to the community center are made as needs develop, and volunteer labor and materials backed up by \$50,000 in city funds; and 4) The city and district work out a program of "city" activities, which the city subsidizes. As noted earlier, the district is short of funds, and relies on in-kind contributions and program fees. In this case there would also be rental fees, but there will be some hard personnel costs, such as custodian, that the district will have difficulty financing. Thus from the start it would be essential for the city to provide a custodian or the cost equivalent of \$15,000-\$20,000. Other costs that the city and district could appropriately share are likely to develop over time.

6. Animal Regulation

Some counties provide animal regulation county-wide. In Mendocino the county assumes responsibility only for the unincorporated area, but has developed a county-wide system under which the cities contract to receive the service. Present city annual payments are:

Ft. Bragg	\$7,064
Ukiah	4,500
Willits	7,000
Pt. Arena	500

These payments reflect the relative workload in each city, but are below actual costs. They are renegotiated from time to time. It is assumed a city of Mendocino would pay about \$1,000.

7. Incorporation and the Mendocino City Community Services District

The district is currently authorized to provide sanitation and street lighting. In November an election to authorize additional services failed, and the district is currently considering whether to ask the voters' approval of entering the water supply field specifically.

This would permit it to obtain a feasibility study of a public water supply system in Mendocino.

The district is governed by a five-member elected board and has two full-time maintenance employees and a half-time clerk. In addition to the sanitation system its assets include an office, vehicles, equipment, and a small corporation yard that could serve the city. The sanitary system is new and has adequate capacity for substantial growth. The district's budget is as follows:

Revenues

Service charges	\$ 60,938
Property taxes	21,000
Interest income*	28,800
Miscellaneous	1,723
	<u>\$112,461</u>

*From the depreciation reserve

Expenditures

Personnel	\$ 48,752
Electricity	15,000
Insurance	4,500
Street lighting	4,500
Elections	1,000
Legal and accounting	4,800
Depreciation*	28,800
Other maint. & operations	10,745
	<u>\$118,097</u>

*Required by the federal grant for the treatment plant.

In addition the district has a bonded debt that now amounts to \$440,000. Debt service this year was \$27,000 (\$5,000 in principal and \$22,000 in interest), requiring a tax rate of \$.091, which is in addition to the 1% Prop. 13 rate.

If Mendocino were to incorporate, merger of the district into the city would not be automatic. Unless merger were stipulated on the ballot, the district would continue its separate and independent existence. Merger could take place at a later election, as long as the city boundaries included all of the district territory. If the district extended beyond the city, the district could still, by election, be converted into a "subsidiary" district, governed by the City Council in place of a separate board.

In most recent incorporations, any districts that could be merged with the city were merged as part of the incorporation election. Lafcos have frequently made this

a condition of incorporation, in order to carry out one of their major purposes, "the orderly formation and development of local government." The Municipal Organization Act of 1977, under which incorporation takes place also states the legislative intent that a single governmental agency is preferable to several limited purpose agencies.

Nevertheless, arguments could be made for leaving the district in existence. One is that it is doing a good job, so why disturb it. A second is that the purposes of incorporation do not include, or require absorption of the district. On the other side, there are real advantages to merger. It avoids two separate elected boards, which might disagree with each other, providing important community services. It avoids at least partial duplication of personnel, offices, equipment, elections, etc., and their costs. Perhaps most importantly in Mendocino, it would provide the city with an all-purpose public works maintenance staff (the two district personnel, perhaps augmented) that, in addition to running the sanitation system, would be available for minor street repairs, litter control and other housekeeping chores. Separate city and district staffs are likely not to be fully occupied the year round, whereas combined there would be greater flexibility in how they are used during the year.

Merger would also affect the way the rest of the city is organized. It would reduce the need to contract out minor street work, make more feasible the use of a city manager or administrator, change the clerical staffing pattern, and strengthen code enforcement.

If the city and district are merged, sanitation and street lighting would simply become city, rather than district, functions. The district board of directors would cease legally to exist although it could be appointed by the city as an advisory body for sanitation. The jobs of existing district personnel could be protected by Lafco conditions, if this appears to be of concern. District assets and liabilities would be transferred to the city. The district's bonded debt would remain a separate property tax charge against the present territory of the district, plus any future annexations that agree to share in the debt.

8. Fire Protection

The Mendocino Fire Protection District is larger than the proposed city, and would not in any case be affected by incorporation unless that were provided for on the same ballot. It is recommended the district be left as is. If some change later appeared desirable - for example, if the city annexed the balance of the district - it could be voted on at that time.

There are several areas of potential cooperation between a city and the district, particularly in improved fire prevention. If a city were able to develop a public water system, that would substantially improve fire protection and insurance ratings. As noted earlier, if the Middle School is acquired by the city, it could accommodate a relocated fire station. Search and rescue along the bluffs and surf of the coast should also be noted. In California, these responsibilities are variously shared by sheriffs, local fire districts, and state parks. In Mendocino : virtually the entire coast is owned by the state and is technically a state responsibility, but the fire district volunteers, having the skills and equipment, perform most search and rescue. The participation of the Sheriff is cooperative, but not covered by formal agreement. Upon incorporation the city would inherit that role, which would be carried out by the police contract with the Sheriff. Currently, State Parks and the fire district are exploring ways the state can assist or reimburse the district for its services.

E. City Organization, Staffing and Annual Costs

1. Introduction

This section will set forth alternative ways of organizing a city government. Three sets of options will be considered:

- a. Conventional versus volunteer staffing
- b. With and without CSD merger
- c. Discretionary program variations

Before considering them, it may be helpful to summarize the way the City of Pt. Arena, with 420 population and little activity, is organized. There are no full-time positions. The City Clerk works 5 hours a day, 5 days a week, handling all office duties with some clerical assistance. A maintenance man works 4 hours a day 5 days a week, and a sewage treatment plant operator was recently hired on the same basis. There is a city attorney on retainer, no city engineer (the county occasionally reviews projects and keeps the fees), and police, building inspection and animal control are contracted from the county. Major road work is contracted, with a committee of the City Council negotiating the details. A general plan consultant is currently contracted. The City Treasurer receives a nominal salary, and the volunteer fire department's expenses are paid by the city. Offices are in rented space in the court building, and the total budget, excluding the sewer system, is \$79,690, one of the smallest in the state.

2. Conventional versus Volunteer

Some of the options were discussed in the previous section. The choice might be described as that between hiring full-time staff - particularly for planning - as against minimizing staff and maximizing the utilization of the town's volunteer skills. In the background are two issues: 1) how much work, particularly in planning, will actually be required now that the Town Plan is complete; and 2) is there resistance in Mendocino to the idea of full-time professional "bureaucrats"?

This consultant feels that Mendocino's assumption of the responsibility for historical preservation and community development justifies full-time professional assistance, and that in this community such assistance is unlikely to become bureaucratic. At the same time volunteerism has been in the local tradition, and a city would want to take advantage of it. Practically the answer may lie in the actual workload and whether volunteers find they can handle it. To the extent the volunteer approach is successful, it will also save money that can be devoted to discretionary programs.

3. City Council

Unless the ballot specifies a larger number elected by district, there will be a 5-member Council, elected at large, with the first one on the same ballot with incorporation. Each year the Council selects one member to serve as mayor. As a city, Mendocino would become a member of the Mendocino Council of Governments, which considers various county-wide matters, and of the Joint Powers agency that approves the distribution of certain state transportation monies. Both are made up of the county and the local cities, represented by Council members. Council expenses under all options will be about \$3,000 for travel, meeting costs, etc. No salary is recommended.

4. City Clerk and Offices

A full-time City Clerk and offices are recommended under all options. The Clerk should be appointed, as should the Treasurer. (The law permits their separate election.) The latter position has nominal duties of over-seeing the books and deposited funds, and is usually filled by a volunteer at no cost. A non-volunteer salary would be about \$600 a year. The Clerk is responsible for running city offices, keeping all records and minutes, issuing various permits, handling correspondence and reporting, financial affairs, etc.

City offices should be large enough to accommodate employees, work and storage space, a reception area, and a small space for the resident deputies. Council and Planning Commission meetings can be held in school or other facilities. If the Middle School becomes a community center, city offices and meeting space could be located there. The amount of office space will vary with the number of employees, and under the conventional approach it is assumed this can be rented for \$600 a month, while under the volunteer approach \$500.

In addition to the above employees, and those noted under Planning, a pool of full-time or part-time, seasonal and on-call assistance to handle various chores is recommended. These include clerical assistance, code enforcement, possibly fire prevention inspections in cooperation with the fire district, street maintenance, litter clean-up, parking regulations, etc. Under the conventional approach these would total the equivalent of 2 full-time employees, and under the volunteer approach 1-1/2. With CSD merger, or community center acquisition, these needs would change, as is noted later.

5. Planning Commission and Staff

The Council can either appoint a separate 7-member commission, or itself fill this role. Most cities have a commission,

both to insure a full input of planning values in the land use decision-making process, and to leave the Council time for other city matters. A commission would also provide the volunteers that can perform much of the work in reviewing development applications and other issues that would normally be performed by paid staff. A related issue is the continuation, or transformation, of the MHRB in the form of a design review committee serving the commission, as discussed in the previous section. Such a committee could take several forms: 1) meeting regularly, as the MHRB does; 2) meeting on call; or 3) serving as a panel of professionally-skilled individuals who would, collectively or individually, with or without per-job pay, review particular applications. This arrangement would come closest to eliminating the need for a staff planner, though hiring a staff planner does not necessarily eliminate the need for a design review committee. Under both options it is recommended the city use consultants to develop design criteria.

Under the conventional approach a full-time planner is recommended. He or she would provide information and advice to prospective development applicants and the public, attend Planning Commission and City Council meetings and carry out tasks assigned by them, such as investigations of particular problems and the preparation or revision of development ordinances. He would review development applications for conformance with city ordinances and policies, and for those requiring Planning Commission approval would prepare staff reports and recommendations. He would provide liaison to the county Planning and Building Inspection departments, the engineer reviewing certain development applications, and the Coastal Commission. He would also be responsible for code enforcement, that is, assuring that city zoning ordinances and conditions of development approval are adhered to. This includes illegal building activity, illegal uses of property, deviations from approved plans, such as occasionally occur now with respect to MHRB conditions, etc.

Whether or not this is a full-time job will depend on the rate of development, but also on other demands and on how far the city wants to pursue code enforcement. If it turned out not to be full-time, the planner might be given other city duties, such as budget and personnel, and relations with other agencies and the city contract service providers. It should also be noted the recommended staff pool will need some supervision, which could best be provided jointly by the City Clerk and planner.

Under the volunteer approach most of the planning work would be done by members of the Planning Commission, the Design Review Committee, other volunteers, and the staff pool described earlier. Ordinance revisions, general plan studies and other technical matters could be contracted out to consultants or possibly to the Ft. Bragg or county planning departments.

6. Annual costs of all the above are estimated as follows:

	<u>Conventional</u>	<u>Volunteer</u>
Personnel		
City Clerk	\$ 15,000	\$ 15,000
Planner	25,000	-
Fringes at 20%	8,000	3,000
Staff pool	<u>28,000</u>	<u>21,000</u>
	76,000	39,000
Council expenses	3,000	3,000
Office rent	7,200	6,000
Telephone	1,000	900
Postage	500	500
Utilities	1,500	1,300
Mileage and travel	1,000	900
Office supplies	2,000	1,800
Office equipt. & rental	1,500	1,300
Legal ads	500	500
Liability insurance	10,000	10,000
Workers comp. Insurance	2,000	1,800
Memberships/conferences	500	400
Planning consultants	2,000	3,000
Volunteer expenses	-	2,000
Treasurer	600	-
Elections	1,000	1,000
Miscellaneous	<u>10,000</u>	<u>10,000</u>
	\$120,300	\$ 83,400

With respect to both types of insurance, the city could join the Redwood Empire Municipal Insurance Fund, a cooperative self-insurance pool which has greatly cut these costs. Elections are held each two years, and the annual cost shown above is half the estimated cost.

7. Contractual Services

Police, road maintenance and animal regulation were discussed in the previous section, and would be the same for either option. The road maintenance contract would be about \$10,000 less than the total costs estimated earlier because of the minor road work the staff pool will do. The net city cost for a City Engineer will depend on the time he spends on non-reimbursable activity, such as attending Council meetings and advising the city on various problems. The City Attorney advises the Council and other city officials, prepares ordinances, resolutions and contracts, and brings legal actions with regard to violations of city ordinances and development conditions. He does not necessarily attend Council meetings. Both the attorney and engineer will probably have more work to do in the absence of a full-time planner.

Estimated costs:

	<u>Conventional</u>	<u>Volunteer</u>
Police	\$ 72,000	\$ 72,000
Road maintenance	46,000	46,000
Animal control	1,000	1,000
Engineer	5,000	5,500
Attorney	10,000	11,000
	<u>\$134,000</u>	<u>\$135,500</u>

8. Total costs

Conventional	\$254,300
Volunteer	218,900

These do not include desirable improvement projects or optional programs. They will be considered in a later section.

9. With CSD Merger

The foregoing estimates are for a city separate from CSD. Merger would make the entire city operation larger - staff, funds handled, equipment, facilities and responsibilities. As noted earlier, it would make for more flexible, efficient use of staff and equipment. It also increases the need for centralized administration, raising the question of whether a City Manager or Administrator is desirable. (The difference between the two is that the Manager has the final say on administrative matters, such as hiring and firing, while the Administrator shares these with the Council.) A Planner-Administrator combination would also be feasible. The CSD's present public works superintendent could also be given expanded responsibilities, such as supervising the staff pool and handling increased road and other maintenance, or assisting in planning and administration. The following are illustrative city staffing and salary options:

	<u>Conventional</u>	<u>Volunteer</u>
City Clerk	\$ 16,000	\$ 16,000
Planner	25,000	-
1/2 time typist	6,000	6,000
Public Works Supt.	20,000	20,000
Public Works Asst.	16,000	16,000
Fringes	16,600	11,600
Staff pool	28,000	21,000
	<u>\$127,600</u>	<u>\$ 90,600</u>

For the Planner-Administrator combination, about \$15,000 should be added to the Conventional total, in part for the planner's

increased salary, and in part for added planning services in the staff pool. Other direct city costs would increase by amounts reflected in the district's budget. The amount of these increases would be:

Telephone	\$ 900
Postage	100
Mileage	500
Office supplies	500
Office Equipt.	120
Legal ads	150
Liability Ins.	3,500
Workers Comp.	1,000
Memberships/ conferences	1,050
Sanitation/ system	50,000
Street light- ing	4,500
Attorney	<u>2,000</u>
	\$64,320

The contractual costs would remain the same, except that City Attorney would increase \$2,000 (see above), and the road contract would be reduced \$5,000 to reflect the additional city capability in road maintenance.

10. Total costs

Planner - Administrator	\$380,220
Conventional	365,220
Volunteer	329,820

F. Estimated City Revenues

1. Sales Tax

The State Board of Equalization has estimated that the 1% local share of the sales tax will yield \$162,728 during 1982. These monies now go to the county, and would automatically go to the city upon incorporation. Because a similar estimate made five years ago was \$37,696, the current estimate was re-checked with the state to be sure it did not include outlets outside the boundaries, such as the Little River Inn or Heritage House.

2. Hotel-motel tax

The county levies a 6% tax on all overnight lodging bills in the unincorporated area. The county Tax Collector's records show that for the year April 1, 1980 - March 31, 1981, this revenue totalled \$80,521 in Mendocino, after eliminating accommodations outside the boundaries. Some accommodations inside the boundaries were not included, but this report will use the \$80,521 figure.

The hotel-motel tax is considered a "special tax" under Prop. 13, and could not be used by a new city unless approved by two-thirds of the voters. It is assumed this will occur.

3. Business license tax

The county has a modest tax on businesses in the unincorporated area. Most cities have a business license tax, applying to out-of-town businesses, such as contractors, as well as local businesses, with the amount usually based on gross receipts or the number of employees. It often yields around 10% of the sales tax, which would be \$16,273 in Mendocino. This is also a special tax, requiring approval by two-thirds of the city voters. A city of Mendocino might want such a tax not only for revenue purposes, but also to monitor and regulate business activities in town. However, this report does not assume there will be a city business license tax. If there were, its administration would require some additional manpower.

4. Utility franchise taxes

State law establishes a 1/2% tax on electrical utility gross receipts, which in unincorporated areas goes to the county and in incorporated areas to the city. It is difficult to estimate electrical consumption in Mendocino, and a modest amount of \$2 per capita, or a total \$2,000, is estimated from this tax. Some cities also levy a similar tax on cable TV, garbage franchises, etc.

5. Property transfer tax

This amounts to \$1.10 per \$1,000 of the value of property changing hands, and is collected by the county Recorder. The county retains the entire tax in the unincorporated area, and shares it 50-50 with cities in incorporated areas. Given the types of businesses and houses in Mendocino, it is difficult to estimate how often property changes hands, and a modest \$1 per capita, or \$1,000, is used.

6. Licenses and permits

This includes building permits, dog licenses, street encroachment permits, etc. This report assumes a city would contract with the county for most of these services, with the county retaining any revenues.

7. Fines

These consist primarily of traffic fines, as well as fines under city parking and other ordinances. It is difficult to anticipate how far a city would want to go in these areas, and Mendocino does not appear to generate many traffic violations. A modest \$2 per capita, or \$2,000, is therefore used.

8. Cigarette tax

This state tax consists of 3% of the sales tax, or \$4,882, plus \$1.90 per capita, or \$1,900, for a total \$6,782. After incorporation it would go to the city instead of the county

9. Federal revenue sharing

This program has been extended through 1983 by the present administration. While there has been discussion of discontinuing the state portion (which would indirectly effect counties and cities), the county-city portion is expected to continue. The amount received by a city is based on its population, personal income (the lower, the better) and "tax effort" (the higher the better; sales and hotel-motel taxes would be above average in Mendocino). The state average for cities is \$13 per capita, and to be conservative this report will use \$10, for a total \$10,000.

10. State gas tax and motor vehicle license fee subventions

A portion of these charges go into a separate fund which is divided among all the cities in the state according to their populations. These revenues have therefore fluctuated with the amount of gas sold, and with the value of vehicles. This

year, the state also reduced the vehicle license fee going to cities in proportion to their participation in the Prop. 13 "bail-out". At the same time an additional gas tax was adopted which will give cities an estimated \$3 per capita in 1982 and \$6 per capita thereafter. A further complication is that the official population of a new city until the next census (1991 in this case) is assumed by law to be three times the number of registered voters. A rough estimate (the county has had difficulty getting the exact number) of the number of voters in Mendocino is 463, making for an official population of 1,389, compared to actual population estimated by the county at 1,000.

Using a most recent state revenue estimate, (and assuming \$6 per capita from the new gas tax) and both population figures, the results are:

<u>Gas Tax</u>	<u>Population</u>	
	<u>1,000</u>	<u>1,389</u>
(\$14.45 per capita, plus \$5,800)	\$20,250	\$25,871
<u>Vehicle licenses</u>		
(\$20.70 per capita)	<u>20,700</u>	<u>28,752</u>
	\$40,950	\$54,623

Both population figures are used to indicate the extent to which these revenues will be abnormally high in the first few years, and then decline after the census unless the city has grown to the 1,389 population figure.

11. Service charges

These revenues will depend on whether the city is providing the types of services for which a charge can be made. Zoning and similar land use permits are a minor source. Recreation programs of the produce service charge revenues. If the city and CSD were merged, the latter's sewer service charges would become city revenues under this heading. The CSD also provides street lighting, financed out of its general revenue. An additional service charge (usually a flat amount per house or front foot of business) could be levied for this service. If the city built a water system, it would also produce service charge revenue.

12. Property tax

Because Prop. 13 sets a uniform 1% tax rate, no agency, including new cities, can any longer levy additional taxes. Instead, a new city's property tax revenues are based on a transfer of revenues presently going to the county and any

other agencies whose service responsibilities are transferred to the city. The law requires that the county auditor first determine the percentage that county property taxes constitute in proportion to all other county revenues that may be used for general purposes. This report has roughly estimated that percentage at 39.33%. Lafco then determines, with the assistance of the affected departments, the costs of the services that the county would discontinue and the city take over. These include Sheriff, roads, building inspection, planning and animal control. Multiplying the property tax percentage against these costs yields the amount of county property tax to be transferred to the new city. In future years this amount would increase in proportion to the increase in the city's assessed value.

This report will make a very rough and preliminary attempt to estimate the relevant service costs. It should be noted that in some other counties where incorporations have recently occurred, the counties have had a tendency to minimize the cost estimates (and therefore their tax loss) by not including road costs (on the argument roads are not financed by the property tax) and by understating other service costs.

a. Sheriff

As noted elsewhere, the Ft. Bragg substation feels its time in Mendocino is approaching the equivalent of two officers. The Sheriff's budget is \$2,005,649. There are 95 positions, including 56 deputy sheriffs. Total costs per deputy are therefore \$35,815. Assuming a fair measure of present costs in Mendocino are the total costs of 1-1/2 deputies, the result is \$53,722.

b. Roads

As noted elsewhere, the county-wide average cost per mile for road maintenance is \$4,263, and the Public Works Dept. feels costs may now be somewhat lower in Mendocino due to the recent resurfacing. Assuming nine miles at \$4,000 each, costs in Mendocino are \$36,000.

c. Building inspection

The Ft. Bragg office estimates about five hours weekly in Mendocino. At \$30 an hour to allow for travel and overhead costs, this would be \$7,800 a year.

d. Planning

The department estimates it spends 1/2 a man year on Mendocino planning matters, plus 1-1/2 man months

for the MHRB. Assuming \$35,000 per man-year reflects total costs, these would be \$21,875, plus \$1,800 for the MHRB secretary.

e. Animal control

These costs were earlier estimated at \$1,000.

The total of the above is \$122,197, which multiplied by 39.33% would result in city property revenues of \$48,060.

If the city merged with the CSD, it would inherit the district's property tax revenues, currently running at \$21,000. Repayment of the district's bonded debt would remain a separate tax charge, above the Prop. 13 limit.

13. SB 325

These are revenues from the sales tax on gasoline, which the Mendocino Transit Authority (a joint agency of the county and four cities) distributes each year on a population basis. This year the amount is \$12.91 per capita, which would be \$12,910 for Mendocino. These funds must be used for public transit, if any reasonable uses exist; otherwise they can be used for roads.

Total city revenues

Sales tax	\$162,728
Hotel-motel tax	80,521
Franchises	2,000
Property transfer tax	1,000
Fines	2,000
Cigarette tax	6,782
Revenue-sharing	10,000
State subventions (low alt.)	40,950
Property tax	48,060
SB 325	<u>12,910</u>
Sub-total	\$366,951
CSD revenues	<u>112,461</u>
Total	\$479,412

G. Discretionary Program Variations

Estimated revenues will exceed estimated basic operating costs as follows:

<u>Without CSD Merger</u>	<u>Costs</u>	<u>Revenues</u>	<u>Surplus</u>
Conventional	\$254,300	\$366,951	\$112,651
Volunteer	128,900	366,951	148,051
<u>With Merger</u>			
Planner/Admin.	380,220	479,412	99,192
Conventional	365,220	479,412	114,192
Volunteer	329,820	479,412	149,592

Thus, even if some of the estimates and assumptions in this report prove inaccurate, due to the unusually large sales and bed tax revenues there will be a substantial annual reserve with which to undertake community projects. Those that appear to have the most local support are a start on a community water system, conversion of the Middle School into a community center, and street-related improvements in the downtown area.

Before considering these programs, the initial period just after incorporation should be noted. Under the law, the county and the California Highway Patrol must continue normal unincorporated area services to Mendocino until the end of the fiscal year during which incorporation takes place. This would include Sheriff's protection, traffic patrol, road maintenance, building inspection, engineering, animal control, and planning. The city could take over planning immediately, if it wanted. The statutory time lag is intended to give the city time to get organized. The law also provides that the city start receiving most city revenues upon the effective date of incorporation, which is about a week after the incorporation election, unless the county or Lafco sets a later effective date. This statute is intended to give a new city some "start-up" funds.

Assuming a Mendocino incorporation election and effective date in November, 1982, by the end of the fiscal year, June 30, 1983, when the city will take over full service responsibility, the following city revenues will have accumulated, all but the last two diverted from the county:

Sales Tax	\$ 90,000
Bed Tax	40,000
Franchise Tax	1,000
Property Transfer	500
Fines	1,000
Cigarette Tax	3,500
Gas Tax	11,000
Vehicle Licenses	22,000

\$169,000

During this period the city would be setting up offices, hiring a City Clerk and City Attorney, and probably hiring planning and administrative consultants. These costs should not exceed \$69,000, leaving a reserve of at least \$100,000. The city might want to immediately commit this to high-priority needs, such as the engineering of a water system or the first step in acquiring the Middle School. Or the reserve might be kept as a continuing reserve. If the county sets an effective date later than November, the reserve will be proportionately smaller.

Taking a five-year period, at least \$500,000 would be available for the discretionary programs, unless the current recession reduces the projected city surpluses. With respect to a water system, the city's immediate interest would be in feasibility, and if proved feasible, then in engineering the system and preparing a construction and financing program. It is assumed the actual construction and operation of the system would be financed through loans or bonds, special assessments, and water service charges, rather than surplus city funds. The only unavoidable city costs would be for the feasibility study, which might be around \$50,000, including tests. Engineering and the other preparatory work, which might cost around \$200,000, could be included in construction costs and reimbursed from those funds.

Acquisition of the Middle School and its conversion to a community center was earlier estimated to cost around \$150,000, plus continuing operating costs of \$15,000-\$20,000. Liability insurance might cost an additional \$10,000. How soon the school can be purchased, and how long a payment period would be used, are not certain.

There is no price tag on a downtown street, sidewalk, parking, drainage, etc. program. Due to the sensitivity to historical preservation, it would probably require some time to design and get support for such a program. Some of the costs might appropriately be borne by the abutting property owners, rather than the city. The proposed road budget already includes \$20,000 a year for resurfacing, which would take care of some of these needs.

An illustrative funding plan for these discretionary programs, assuming \$100,000 annually in surpluses, is:

<u>Year</u>	<u>Program</u>	<u>Fund Balance</u>
1	Water feasibility (\$50,000)	\$50,000
2	Acquire school (\$100,000)	20,000
	Operate community center (\$30,000)	
3	Remodel school (\$50,000)	40,000
	Operate community center (\$30,000)	
4	Street improvements(\$100,000)	10,000
	Operate community center (\$30,000)	

<u>Year</u>	<u>Program</u>	<u>Fund Balance</u>
5	Street improvements (\$50,000)	\$ 30,000
	Operate community center (\$30,000)	

H. Boundaries

This study uses the boundaries of the CSD. They are closely identified with the historic preservation district and with the area covered by the Town Plan. This is also the area within which most of the development issues, local determination of which would be a major purpose of incorporation, have arisen.

The consultant has been asked to review these boundaries in terms of city operations, and to suggest any desirable modifications. The CSD boundaries are not natural boundaries, and are based on the area that could be, or desired to be, sewerred. They run down the center of Gurley Lane, cut off the houses at the north end of Lansing St., and exclude the Larkin Road - Lori Lane neighborhood, including Blackberry Inn. Many of the residents along Little Lake Rd. east of Gurley are also closely identified with Mendocino.

In terms of community identity, city planning jurisdiction, the development of a public water supply, and other city services, a somewhat larger, more natural boundary would be preferable. It is suggested that the northern boundary be

extended to Jack Peters Gulch, and the eastern boundary to Jackson State Forest, east of Nichols Lane. There is no need that all the city territory be capable of being sewerred, though the pumping station recently installed as part of the Sea Rock Motel annexation to the CSD may be able to serve the adjacent areas to the north. The suggested boundaries would add about 200 population and two miles of roads, and do not appear to present service problems. City costs might increase \$18,000 (\$8,000 police, \$8,500 roads, \$1,500 miscellaneous).

Revenues would increase about the same (gas tax and vehicle licenses \$7,030, property tax \$5,000, revenue-sharing \$2,000, bed tax \$1,000 and miscellaneous \$2,500, for a total \$17,530). These figures, showing about a break-even for adding this area, should apply to other potential annexations. The major variants would be excessive road costs, on the one hand, and large producers of sales and bed taxes, on the other. Previous incorporation studies and advisory elections have used boundaries going beyond those suggested. This report recommends that incorporation proceed with either the CSD or suggested boundary. If incorporation succeeds, then the city can consider orderly annexations. The first would appear to be north to Russian Gulch State Park, and the second south to Van Damme Beach State Park.

I. The Relation of the Alternatives to Developing a Community Water System

Mendocino is now supplied by private wells, serving either individual parcels or small groups of parcels. The underlying water table on this marine terrace is shallow and irregular, and wells in some areas run dry or nearly dry in the summer. Water is then trucked in from Ft. Bragg for some users. It has been estimated that the current situation limits future population to 1,400. The absence of a public system also weakens fire protection; the fire district's tankers do not have the capacity to fight a large or long fire. Consequently fire insurance costs are unusually high.

There have been several studies made over the years concerned with the feasibility of developing a public system, and the State Department of Water Resources is currently making studies along these lines, though their completion has now been delayed to late March. Generally it has been assumed that reliable and adequate year-round flows could be tapped in the hills east of Mendocino, for example, at Nichols Lane and Big River. Deep wells into the aquifer below the shallow water table have also been mentioned. The most recent rough estimate for the cost of a system tapping the hills is \$1.3 million. With any public system there will be questions of how large an area should be served, how it should be financed, and whether all parcels should be required to hook up or some wells permitted to continue. It should be noted that Russian Gulch State Park has similar well supply problems and would be interested in participating in a water system.

The only two agencies being considered in this study that could develop a public system are the CSD and a city. Assuming the voters authorize the CSD to enter this field, (a city would not need such voter authorization), the powers of the two agencies are identical. They both have eminent domain powers for acquiring property and easements, inside and outside their boundaries, and both may levy service charges, issue revenue bonds, form assessment districts, apply for state and federal grants and loans, etc. Neither, since Prop. 13, may levy a property tax nor issue general obligation bonds. A city would have one advantage - its more diverse revenue sources would make lease-purchase financing feasible. Under this approach a joint powers agency or non-profit corporation issues bonds, backed by the city's general revenues, to build the system and lease-purchase it to the city. As compared to revenue bonds, which are secured by water revenues, and require majority voter approval, there would be no "coverage" or reserve requirements, and no voter approval. In addition to either type of bond, which is currently selling at 12% interest, the city or district would probably want to use assessment bonds to assure that undeveloped properties, which were not contributing to water revenues, paid their fair share. In addition to 12% interest, they are currently selling at a 15% discount. The reserve funds the new city would have would also be an advantage over the district in that they could expedite feasibility studies and engineering design, as well as land acquisition, the payment of

bond interest during the construction period, etc. These costs could be reimbursed from later water revenues.

In addition to bonds, there are two public agency loan programs. Both require that the applicant demonstrate it can't get private financing, which has not been difficult. The Farmers Home Administration makes water system construction loans, currently at 11-3/8%. The state makes grants and loans from the recently-approved Safe Drinking Act Bond Fund. Grants of up to \$400,000 are made to communities with a limited ability to pay, which is defined to include off-setting very high monthly water rates, which would probably be required to build a system in Mendocino from scratch. Loans are up to \$1-1/2 million, with the interest determined by the interest the state is paying on the bonds. The last sale was in the 10%-11% area, but the overall range is 6%-10%. Priorities go first to areas with primary health problems, such as a contaminated supply, and second to areas with inadequate water taste or color, or subject to outages and back-flow. Mendocino's inadequate wells would fall in this group.

J. Comparison Cities

While recognizing that each community is different in terms of its municipal service needs, organization, costs and revenues, it is helpful to have cost and revenue data on cities of a size similar to Mendocino. For one thing, they show the wide differences between these cities.

The data are from the 1979-80 annual report of the State Controller concerning city financial transactions. To reflect current conditions, the figures should be increased about 20%. The cities selected were all those in California in the 800-1200 population range, because Mendocino's population is 1,000. Although Pt. Arena is smaller than this, it was added because of its proximity. General characteristics of these cities are as follows:

<u>City</u>	<u>County</u>	<u>Population</u>	<u>Net Assessed Value</u>	<u>Bonded Debt</u>
Blue Lake	Humboldt	1,210	\$2,727,805	\$184,500
Maricopa	Kern	810	1,691,792	-
Bradbury	Los Angeles	850	8,730,865	-
Pt. Arena	Mendocino	520	1,593,611	-
Colfax	Placer	1,000	4,424,898	181,000
Isleton	Sacramento	950	1,890,416	-
San Juan Batista	San Benito	1,190	4,183,569	-
Dorris	Siskiyou	870	1,623,834	48,000
Montague	"	900	3,004,165	362,500
Tule Lake	"	857	1,941,641	9,000

- NOTES:
1. The bonded debt is for water, sewers, or both.
 2. The assessed value of the Mendocino City Community Services District is \$6,868,579 in 1981-82. The above figures are for 1979-80. In that year assessed value was 25% of market value. Today, assessed value is defined as market value, and the assessed value of the district is actually shown as \$27,474,318. 25% was used to make it comparable to the above figures.

ANNUAL EXPENDITURES

	<u>Council</u>	<u>Manager</u>	<u>Clerk</u>	<u>Fin. Off.</u>	<u>Treasurer</u>	<u>Attorney</u>	<u>Planning</u>	<u>Buildings</u>	<u>Other Gen. Gov</u>	<u>Debt Payments</u>	<u>Retirement</u>	<u>Insurance</u>	<u>Other Non-depart.</u>
Blue Lake	\$ 2,115		\$9,114	-	\$ 2,245	\$ 11,072	3,777	\$ 1,962	-	\$ 4,420	\$ 15,994	\$ 12,004	\$ 51,362
Maricopa	39	\$ 2,915	3,967	-	2,946	2,555	295	7,116	-	-	1,996	8,860	5,797
Bradbury	860	39,290	462	-	5,602	8,077	1,087	13,022	\$ 91	-	2,155	5,179	17,467
Pt. Arena	2,847	-	10,267	-	415	3,095	-	3,543	-	-	667	7,846	16,965
Colfax	5,271	13,921	4,800	\$6,360	4,200	7,793	2,466	4,316	-	11,150	18,018	47,163	14,356
Isleton	99	-	9,929	-	1,576	5,115	2,669	900	-	14,588	7,569	33,884	7,000
S.J. Batista	291	11,192	8,125	1,500	1,454	5,229	756	48,005	-	-	3,047	38,419	114,150
Dorris	232	-	8,399	9,474	2,492	2,400	-	12,290	-	5,856	-	9,987	49,402
Montague	2,763	-	7,997	-	1,049	1,916	1,892	896	-	3,000	13,535	42,165	18,944
Tule Lake	3,184	-	17,136	-	11,607	3,000	-	-	-	6,975	-	23,217	15,654

	<u>Police</u>	<u>Fire</u>	<u>Bldg. Insp.</u>	<u>Animal Reg.</u>	<u>Engineer</u>	<u>Streets/ Lighting</u>	<u>Sewers</u>	<u>Garbage</u>	<u>Water</u>	<u>Airport</u>	<u>Other Pub. Works</u>	<u>Parks/ Rec.</u>	<u>Library</u>	<u>Health</u>	<u>Total</u>
Blue Lake	\$14,528	-	\$ 941	\$1,165	\$ 9,174	\$ 36,457	\$ 57,077	-	\$ 73,029	-	-	65,173	-	-	\$371,709
Maricopa	19,488	\$ 727	-	-	-	9,394	2,246	-	-	-	\$ 11,063	7,139	\$ 1,065	-	87,608
Bradbury	21,614	38	14,213	-	182	20,994	-	-	-	-	-	-	-	-	150,334
Pt. Arena	14,683	1,968	-	500	-	10,046	55,579	\$ 500	-	-	-	-	-	-	128,921
Colfax	76,809	4,796	8,866	3,509	3,858	73,539	264,695	100	-	-	13,318	19,157	-	-	612,058
Isleton	67,702	73,385	628	-	-	27,943	43,004	-	-	-	-	13,307	-	-	315,298
S.J. Batista	50,823	3,500	-	1,387	36,707	147,130	27,600	19,406	35,439	-	-	9,263	3,643	-	570,490
Dorris	78,333	13,691	100	24	-	12,030	2,054	4,089	13,815	-	-	-	-	-	225,668
Montague	58,178	20,464	2,092	577	34,705	18,625	118,505	3,337	114,469	8,168	-	22,512	-	-	509,112
Tule Lake	75,532	3,422	476	63	-	21,776	23,368	21,740	30,060	-	1,633	1,261	865	\$10,150	271,119

- NOTES: 1. Where less than full-time costs are shown, jobs are either part-time or combined (e.g., Manager, Clerk, Finance Officer) or contracted (e.g., Police)
2. Very large expenditures for Buildings, Fire, Streets, Sewers or Water indicate major capital projects.
3. Where very low expenditures are shown for Fire or Library, it is in conjunction with district or county programs.

	ANNUAL REVENUES											
	<u>Prop. Tax</u>	<u>Sales Tax</u>	<u>Hotel- Motel</u>	<u>Franchises</u>	<u>Bus. License</u>	<u>Property Transfer</u>	<u>Licenses & Permits</u>	<u>Fines</u>	<u>Interest & Rent</u>	<u>Vehicle Licenses</u>	<u>Gas Tax</u>	<u>Tax Relief</u>
Blue Lake	\$28,129	\$31,091	-	\$ 4,490	\$ 2,370	\$ 676	\$ 4,300	\$ 284	\$23,123	\$21,302	\$15,852	\$ 2,116
Maricopa	16,282	26,129	-	3,647	2,278	420	356	868	3,971	13,380	10,871	537
Bradbury	34,971	1,007	-	4,730	17,110	3,682	25,105	518	23,465	14,491	13,176	2,037
Pt. Arena	8,440	22,121	\$ 4,283	642	1,872	676	-	1,881	12,009	9,154	10,458	547
Colfax	34,541	164,498	-	2,734	8,094	1,096	4,204	4,393	5,909	15,651	13,300	2,306
Isleton	40,580	52,356	-	3,836	2,331	786	748	11,032	16,018	16,724	14,750	3,368
S.J. Batista	36,583	44,961	-	28,063	8,157	747	13,089	15,717	7,619	20,949	15,003	824
Dorris	31,455	20,248	-	2,063	3,715	-	765	12,385	3,760	15,316	13,034	2,688
Montague	41,898	52,448	-	4,333	2,643	1,163	17,185	3,173	5,044	15,844	12,305	2,708
Tule Lake	27,142	75,104	-	2,105	2,602	-	980	3,605	9,572	11,328	12,926	1,498

	<u>Trailer Licenses</u>	<u>Cig. Tax</u>	<u>Other State Rev.</u>	<u>County Gas Tax Grants</u>	<u>Other County Rev.</u>	<u>Revenue- Sharing</u>	<u>Other Fed. Rev.</u>	<u>Service Charges</u>	<u>Sewer Rev.</u>	<u>Water Rev.</u>	<u>Airport Rev.</u>	<u>Misc.</u>	<u>Total</u>
Blue Lake	\$ 3,361	\$ 2,443	\$41,691	-	-	\$ 6,415	\$32,900	\$31,029	\$63,566	\$74,688	-	\$12,617	\$406,86
Maricopa	2,890	2,044	335	-	-	8,704	18,257	1,064	-	-	-	4,162	120,52
Bradbury	-	1,579	894	-	\$ 1,045	4,150	965	21,631	-	-	-	8,271	178,82
Pt. Arena	373	1,534	25,258	-	-	6,616	53,940	-	-	-	-	3,198	163,00
Colfax	609	5,704	41,451	-	-	21,988	155,323	6,621	-	-	-	12,847	561,59
Isleton	-	3,120	1,763	\$42,002	62,000	14,215	22,847	14,810	-	-	-	7,855	385,28
S.J. Batista	263	3,401	38,186	-	-	18,928	84,673	21,622	30,503	33,936	-	23,068	449,19
Dorris	1,570	2,147	136	-	14,468	8,030	38,346	178	9,273	69,030	-	21,750	323,35
Montague	1,691	2,651	15,763	6,814	-	10,213	36,008	18,060	98,694	98,693	\$10,499	12,447	480,77
Tule Lake	1,015	3,289	9,057	-	6,822	17,192	-	29,497	-	35,595	-	12,728	289,12

- NOTE: 1. Franchises are primarily utility company payments, but may include Cable TV, garbage companies, etc.
2. Licenses and permits are primarily building permits, and fines are primarily traffic.
3. Tax relief is state reimbursement of the homeowner's tax exemption, and "other state revenue" includes the Prop. 13 bail-out, which has now been absorbed into the property tax.

K. Informal Governments

Formal governments - cities, counties and special districts - have legal and taxing powers that permit them to provide services and regulations. Informal governments do not have these powers, and seek instead to represent the community to the board of supervisors and to formulate policy on local issues. For maximum influence an informal government should be considered by both the board of supervisors and the community as representative of local wishes.

The two devices to be considered in this study - Municipal Advisory Councils and Area Planning Commissions - are the most formal of the informal governments. They are provided for in state law, established by county resolution, and have a formal structure. Other types of informal governments include county-appointed ad hoc advisory groups, which have been used here, as well as independent community clubs and homeowners' associations.

The Municipal Advisory Council Alternative

Section 31010 of the Government Code, adopted in 1971, provides that a board of supervisors may establish and fund a MAC in any unincorporated area to advise the board on matters relating to the area as may be designated by the board. These may concern services which are or may be provided by the county or other local agencies, including but not limited to advice on matters of public health, safety, welfare, public works, and planning.

The resolution establishing the MAC shall contain the following:

- a. Name of the MAC.
- b. Qualifications, number, and method of selection of its members, whether by election or appointment (by the board of supervisors).
- c. Designated powers and duties.
- d. Area covered.
- e. Whether the MAC's establishment shall be submitted to the voters, and if so by what method. If the members are to be elected, and the MAC establishment also voted on, both elections must be held at the same time.
- f. Such MAC rules, regulations and procedures as may be necessary.

There are now 28 MACs in the state, including 14 in San Bernardino County and others in Los Angeles, Orange, San Diego, San Mateo,

Santa Barbara, Sonoma and Ventura counties. The flexibility permitted by the law has resulted in wide variations among these entities. MAC membership varies from five to eleven members; some are appointive and others elective. Where appointive, there are usually nominations from the community. In one case, Isla Vista in Santa Barbara County, elected community council members (which also have other responsibilities) are appointed as the MAC members. Some MACs have been served by county staff. Of those that received direct funding, in most cases it was from the county General Fund. In one case a local taxing entity, a county service area, provided funding, and in another the costs were absorbed by local special districts. These were districts whose boards were appointed by the county, and after formation of the MAC its members became the boards of these districts. Budgets generally range between zero and \$20,000.

What a MAC does appears to depend on three factors: 1) Local needs and conditions; 2) The extent to which the MAC has local support, that is, is seen as representing the community; and 3) The extent to which it has the confidence of the local supervisor, the board of supervisors and other county officials. There are five general areas of MAC potential, and examples of success in each of them exist.

a. A political voice for the community

A MAC can state a community's needs regularly and more clearly, and can improve communications with the county. Some supervisors have sponsored MACs for these reasons. They provide a formal structure through which the board of supervisors can receive community views, presenting a single recognized voice instead of leaving it to the board to determine who, when there is local disagreement or apathy, represents the community. This does give the MAC the role of a buffer between the board and community demands, and also of a builder of consensus within the community.

b. A forum for citizen participation

People are more likely to become involved in an institution close to home, made up of neighbors, and dealing with issues of direct concern to residents. Views can be easily expressed, and the chances of reaching consensus improved. A MAC can help to unify a divided community. When the community is as far from the county seat as Mendocino is, a MAC may also be the only way for most residents to participate in county government.

c. A communications link for the Supervisor

A MAC can help a county supervisor keep in touch with

the community and its particular needs and problems. The dialogue between the two can test and determine the support for new policies, which is important to finding solutions that are acceptable to both the community and the county. If unpopular decisions have to be made, the MAC can assist by exploring the problem and participating in making the decision and explaining it in the community.

d. An influence on service delivery

MACs can advise the county on local priorities, road construction and maintenance, general plan revisions, land use decisions, development proposals, park development, animal control, and other county services, expenditures, and decisions. It can also seek to coordinate special districts (in Mendocino they provide sewers, street lighting and fire protection) in relation to growth.

e. A step toward incorporation

As can be seen from the above, a MAC functions somewhat like a city council. It can help train people in local politics and government, and develop local leadership. To the extent citizens use the MAC, rather than county staff, as a clearing house for problems with county government, they learn problems often can be more easily resolved at the community level. At the same time, the burden on county staff may be relieved.

The most common subject of activity of the 28 MACs is land use planning. Because the County Planning Commission is also advising the board of supervisors on these matters in the same communities, some confusion may result. Other subjects include opinion surveys and local studies, traffic, parking, animal control, incorporation, cable TV, medical services, parks, road maintenance, supplementary police services, street lighting, disaster planning, juvenile probation, commercial area maintenance, transit, water, sanitation, building inspection, the local economy, housing and signs. This range is similar to that of many city councils, and many MACs were formed either because incorporation was not fiscally feasible or because it was felt to be premature.

If a MAC were established in Mendocino, its members could be elected, appointed, some mixture of the two, or the board of the community services district could ex officio be the MAC. An appointed MAC implies closeness to the local supervisor, while an elected one implies closeness to the community. One existing MAC originally had a mixed board, but after the supervisor had a chance to gain confidence in the elected members, the make-up was changed to all elected. Using the CSD board as the MAC, which is done in Three Rivers, has the advantages of simplicity and the avoidance of two possibly competing policy

bodies in the town. However, this board is presently fairly small for the MAC job of representing various viewpoints. In addition its members are probably primarily interested in sanitation, and might not want to become involved in a broader range of activity. What might happen over time under this alternative is a change in the type of people elected to the CSD board, putting more emphasis on the other activities and less on sanitation. Another alternative might include representatives from the CSD, school and fire districts, as well as appointed or elected members.

With respect to the Mendocino Historical Review Board, there are potential conflicts or overlaps between its responsibilities and the activities a MAC would become involved in. There are at least two options: 1) leave the HRB in existence at the outset, to see what inter-relations develop - for example, the HRB might function as a sort of design review committee for the MAC as well as the county; or 2) disband the HRB and assign its responsibilities to the MAC. The latter alternative might work better if the MAC is appointed rather than elected. It would also be desirable to carry over some of the HRB members to the MAC.

For optimum effectiveness, a MAC should have the following characteristics.

1. Legitimacy within the community, for which a prerequisite is legitimacy in the eyes of the county. This means a board of supervisors commitment to listen to the MAC, to seek its views on any issue affecting the community, to provide it with needed information, and to treat it like a county department. Relevant county staff proposals should be reviewed by the MAC prior to county action.
2. Limited county funding, at least for basic supplies, and county staff assistance.
3. MAC members who realize they are serving the county as well as the community. They should be willing to do their homework, to understand competition for county tax dollars, and to present logical, well-informed arguments to the board.
4. Community support and use of the MAC as the official link with county government.

The Area Planning Commission Alternative

Section 65100 of the Government Code, adopted in 1971, provides that a board of supervisors may establish one or more area planning commissions as the planning agencies for prescribed unincorporated portions of the county. Within the designated area the APC, which is appointed by the board of supervisors, takes the place of the county Planning Commission, and the APC, not the county commission, exercises authority over designated land use matters. Although planning commissions are frequently termed advisory, it should be noted that some of their actions (general plan changes, rezonings, subdivisions) require approval by the board of supervisors, while others (development approvals, design review, variances, etc.) are final unless appealed to the board.

Only four APCs have been formed, two each in Contra Costa and Riverside counties. In Contra Costa they are based on communities, rather than the large areas in Riverside, and it is assumed that in Mendocino the APC would be limited to the community. Although a potential source of funding is permit fees, the existing APCs are financed largely by county general funds. This goes primarily for such direct costs as mailings, meeting space and printing. Staffing is provided by the county planning staff and these costs absorbed.

The little interest shown by most counties in APCs is attributed to the already widespread use of more informal devices, such as ad hoc advisory groups and homeowners' associations, for community input. Some county planning directors have opposed APCs on the grounds they would fragment county planning policies and processes. For a community, the advantage of an APC over a county planning commission depends on political factors similar to those affecting a MAC's influence. The community's influence in the selection of APC members is particularly important in reflecting local land use values.

With respect to the HRB, as in the MAC alternative it could either be left in existence to function as a design review board for the APC, or disbanded and its responsibilities transferred to the APC. On the assumption an APC would not be as busy as a MAC, and would have interests similar to those of the HRB, it could be argued that transferring the HRB duties, and some of its members, to the APC is the better option. However, planning commissions frequently use design review boards, and some sort of quasi merger might be feasible. An important question then would be whether the HRB is advisory to the APC, or directly to the county.

Comparing MACs and APCs, the former deal with a wide range of issues, with land use the most frequent. APCs deal only with land use, but have real authority and a formal relationship with the board of supervisors. This suggests a combined MAC-APC. If this were combined with the CSD board, one entity would be responsible for liaison with the county on general

community problems, for local planning decisions, and for certain local services (in Mendocino's case sanitation) and the related fees and taxes. Under this option, one board could be elected to serve as both the MAC and the CSD board, and then appointed by the supervisors to serve as the APC. Under the MAC-APC option, the members could be either appointed or elected as MAC, and then appointed as APC. The law does not permit elected APCs.

The county Planning Department estimates an APC would require the equivalent of one full-time staff, considering that about half that much time is now spent on Mendocino planning matters. Total costs for a staff planner are estimated at \$35,000 annually, so that present costs of \$17,500 would double. However, the \$4,375 additional staff costs now associated with the MHRB would probably be absorbed into these figures, leaving a net county cost increase of \$13,125. As with the other APCs, this cost would probably be absorbed by the county and not shown separately. A MAC would probably not require as much additional planning staff time, since its planning role would be informal, while a combined MAC-APC might require somewhat more costs in other areas. Both require a meeting place, mailings, clerical assistance, and possibly an office. If the CSD were involved, it might be able to provide some of these services at little or no cost. In addition, if the MHRB was merged into the informal government, the \$150 monthly now paid its secretary, or the secretary herself, would presumably be available. Total costs would remain relatively constant over a five-year period.

In terms of addressing the community's needs, the informal governments would leave final decisions on historic presentation, growth, services, facilities, etc., in Ukiah. Compared to the present, however, they would provide a forum on a broad range of local issues and better communications with the county. By moving the planning commission function from Ukiah to Mendocino, more effective local citizen participation should occur.



C124899503